PHI MICHIGAN

1325 S. Washington Avenue ■ Lansing, MI 48910
Tel: 517.372.8310 ■ Fax: 517.372.8317
E-mail: MIinfo@PHInational.org ■ www.PHInational.org

Testimony to the Michigan House Health Policy Committee
Establishment of a Michigan Health Insurance Exchange
November 3, 2011

Good morning Chairman Haines and members of the Committee. Thank you for the opportunity to provide input into your deliberations on whether Michigan should establish its own Exchange. We appreciate the opportunity to bring a consumer perspective to these discussions.

My name is Tameshia Bridges and I am the Michigan Senior Workforce Advocate for PHI – formerly Paraprofessional Healthcare Institute. PHI is a national not-for-profit organization that works to strengthen the direct-care workforce within Michigan's long-term supports and services system in order to improve the quality of supports and services delivered. A key component of strengthening this workforce is making sure it has access to health insurance coverage.

Michigan's direct-care workforce is comprised of approximately 156,000 direct-care workers – employed by over 6,500 long-term care employers - who provide hands on care and support to senior citizens and individuals living with disabilities. This workforce is uninsured at a level that is three times of the general population of Michigan – 32% (55,000) of Michigan's direct-care workers are uninsured.

The reason this workforce is uninsured at such a high level is similar to that of many other low-wage workers across the state. They are stuck in a catch-22 situation where they earn too much to qualify for Medicaid, or have wages that are too low to afford the insurance that their employers offer, if it is offered at all – and buying good insurance on the individual market is even more expensive. Simply put: the current health insurance market does not work for this workforce.

It is for this reason that PHI supports Michigan creating an Exchange and sees it as an important step in moving the state towards expanding options for quality, affordable, accessible health insurance for many direct-care workers. We support moving quickly in passing legislation that creates the Exchange and allows the state to access further federal funding to facilitate this process.

In creating a Michigan Exchange, it is critical that what the state does the following: meets the needs and interests of those who will be purchasing health insurance through the Exchange; moves beyond an "Orbitz for Healthcare" model by including ways for people to understand and evaluate their options in addition to an on-line platform; and works seamlessly with existing health coverage programs.

<u>Needs and Interests of Consumers</u>
The needs of consumers who will be accessing the Exchange are varied and must be considered in the development of this new marketplace. One way to make sure that these interests are represented and heard is how the governance of the Exchange is set up. One of the elements that must be included in legislation to create the Exchange is defining its governance structure. As the entity responsible for overseeing the operations of the Exchange, we believe that it is imperative that the governance board is transparent and has a level of public accountability, has consumer representation, and is free of individuals or groups that have a clear conflict of interest.

Beyond the "Orbitz for Healthcare" Model

The Exchange will have many roles and responsibilities. One of the main ways that it will be experienced by consumers is as an on-line platform that they can use to find and evaluate health insurance based on cost, quality, and access and determine their eligibility for Medicaid or premium tax credits (subsidies). It is often described as an "Orbitz for Healthcare" – however, buying health insurance coverage is much more complicated and the consequences much greater than choosing a flight or hotel package for your next vacation.

Based on research we've done in other states on direct-care workers experience in health coverage programs, enrollment into them hinges on workers having reliable, accurate, and trusted information about their insurance options to make informed decisions.

With an anticipated 1.2 million individuals likely to turn to the Exchange to make health insurance decisions it is important to remember that for many, this will be the first time they have had to make a decision on their own about purchasing health insurance. In addition, access to the internet and computer literacy may be a barrier to consumers being able to fully use an on-line platform to shop for health insurance coverage.

To address these barriers and help consumers make informed decisions about their health care, it is critical that the Exchange move beyond the "Orbitz for Healthcare" model and identify ways to reach the wide array of consumers who will be purchasing health insurance. As pointed out last week in the presentation from Leavitt Partners, outreach plays a big role in the high enrollment Commonwealth Care in Massachusetts; compared to the sole reliance on agents in Utah Health Exchange.

In addition to providing access to a 1-800 number, the Exchange is to provide grants to with Navigators that will facilitate outreach and enrollment support. Responsibilities of Navigators include:

- Conducting public education about health plans available in the Exchange,
- Providing fair and impartial information about health plans and the premium tax credit,
- Providing culturally and linguistically appropriate information to communities served by the Exchange
- Facilitating enrollment in health plans

While agents can provide these services, we believe community-based organizations – non-profits, schools, churches, health care centers – can also provide this critical outreach and enrollment function. Community based organizations will be vital in getting accurate and reliable information to a variety of consumers – particularly to those who are currently uninsured and/or have little experience with the health insurance market. These entities often have trusted relationships in communities and are often looked to by consumers for information and support. The Navigator function is an opportunity to capitalize on those relationships and provide these entities with the information and resources to connect people with the health insurance option that best meets their needs.

Seamless Coordination with Medicaid

With Medicaid eligibility increasing to 133% of FPL, many new people will enroll in Medicaid and the Exchange will be responsible for coordinating screening and enrollment eligible consumers into the program. In addition, consumers will likely "churn" between Medicaid and insurance in a qualified health plan with a premium tax credit. This is particularly true for direct-care workers, many of whom work part-time, have fluctuating schedules, or work multiple jobs to reach full-time hours. Coordination

between the Exchange and the Medicaid program is critical to ensure that consumers in this situation can have continuous coverage and access to health care services as they move between programs.

Michigan is in the position to create a health insurance market that makes quality, affordable, accessible health insurance coverage within reach for consumers in our state. It is up to you move quickly and thoughtfully to create an Exchange that will work for Michigan. We look forward to working with you as the process moves forward.

I am happy to talk with you further about this testimony. I can be reached at (517) 643-1049 or by email at tbridges@phinational.org.